

[From USA Today, Dec. 8, 1995]

SECURITIES LAWSUIT BILL MAY HURT
INVESTORS

(By Christine Dugas)

A securities law aimed at reducing frivolous lawsuits also may make it harder for investors with legitimate claims.

The bill, approved by Congress this week and awaiting President Clinton's signature, means "investors are going to have to take a lot more responsibility for their own welfare," says Philip Feigin, Colorado Securities commissioner. "It will be harder to get a case started and more difficult to prevail."

Among the bill's provisions:

Companies would be able to say anything about future performance if they include some cautionary statements.

The amount of damages reckless wrongdoers would pay generally would depend on their share of liability. So a victim may not fully recover his or her damages if the main lawbreaker has claimed bankruptcy. In the case of Charles Keating's savings-and-loan fraud, Keating claimed bankruptcy, so damages to victims were paid mainly by accountants and lawyers who might not pay so much under this bill.

A judge would require investors or their lawyers to pay defendant's legal fees if a lawsuit were considered frivolous.

Investors would have to have specific evidence of fraud before they could go to court.

Investors still would have only one year after fraud was discovered, or three years after it occurred, to file suit.

"Now more than ever, investors must go beyond what companies tell them, and do some independent checking," says Maureen Thompson, legislative adviser for the North American Securities Administrators Association.

Because efforts to stretch the statute of limitations failed, investors still would have to check their investment account statements promptly for irregularities. They also would have to carefully document problems and consult a lawyer quickly, says Gerri Detweiler, policy director of the National Council of Individual Investors.

But it might be hard to find a lawyer to take investor fraud cases. "The law tells us we can't just have a good case, we must have a great case," says Matthew Kelly, a lawyer who represents investors at Roemer, Wallens & Mineaux in Albany, N.Y.

The Securities and Exchange Commission, mean-while, is unlikely to pursue investors' cases. "It doesn't have the resources," says Kim Schweitzer, counsel for the National Association of Securities and Commercial Lawyers. "Its mandate is enforcement, not recovery for victims."

The measure would benefit investors because companies would have to disclose more information, says Louis Thompson Jr., president of the National Investor Relations Institute.

And some investors support the bill because they are fed up with lawsuits that mainly enrich lawyers. The bill is aimed at a small number of "professional investors" and lawyers who file class-action lawsuits and take most of the proceeds.

"The money spent by corporations on frivolous lawsuits would better serve all shareholders if it remained in the company, resulting in higher net profits and earnings per share," says Kenneth Janke, president of the National Association of Investors.

But the legislation doesn't only stop frivolous lawsuits. "It's a balancing act," Feigin says. "Even good cases might not make it."

TRIBUTE TO GENERAL MAXWELL
R. THURMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. SKELTON. Mr. Speaker, I rise with a heavy heart to announce that our country has lost a great soldier and friend, General Maxwell Reid Thurman. General Thurman, a soldier whose career spanned more than 37 years, died on December 1, 1995, at Walter Reed Army Medical Center after a 5-year struggle with leukemia.

General Thurman was a principal architect of the all-volunteer Army and served as the Commander-in-Chief of United States Southern Command during Operation Just Cause in December 1989. He learned that he had an aggressive form of leukemia in July 1990, and retired from the Army 8 months later in March, 1991.

Born in High Point, NC, General Thurman attended North Carolina State University, graduating with a degree in Chemical Engineering in 1953. While at North Carolina State, he enrolled in the Reserve Officer Training Corps and was commissioned an officer in the Ordnance Corps. Early in his career, General Thurman applied for, and received, a regular army commission in the field artillery. His professional military education included attendance at the ordnance and field artillery basic courses, the field artillery advanced course, the Army Command and General Staff College, and the Army War College.

General Thurman held a variety of staff and command positions, both in Europe and the United States. In Europe, he commanded light artillery and rocket units with the 11th Airborne Division, and he saw service in the 1958 Lebanon Crisis. He served in Vietnam, first as an intelligence advisor, and later as commander, 2d battalion, 35th field artillery, during the Tet Offensive. Returning to the United States, he commanded the 82d Airborne Division Artillery. Other assignments included duty as an instructor at the U.S. Military Academy, the Army Field Artillery School, and the Army Training and Doctrine Command.

In 1979, General Thurman was assigned as the Commanding General of the U.S. Recruiting Command. It was during this assignment that he helped shape the post-Vietnam Army and helped transform it into the high quality, ready-to-flight force we have today. Under his leadership, General Thurman advertised the Army as a place where men and women with lots of drive and potential could be all that they could be, not a safe haven for under-achievers. This is still the Army's basic recruiting slogan: "Be All That You Can Be."

Promoted to the rank of lieutenant general in 1981, General Thurman became the Deputy Chief of Staff for Personnel for the U.S. Army. In 1983 he was promoted to full general and appointed Vice Chief of Staff of the Army. He assumed command of the U.S. Training and Doctrine Command at Fort Monroe, VA in 1987. During these years it was largely through General Thurman's inspiration and leadership that the Army's new recruiting and training programs were implemented and the modern, volunteer professional Army fully came into existence.

In September 1989, General Thurman was named Commander-in-Chief of the U.S.

Southern Command, responsible for all American military national security policy and strategy in the region. It was under his leadership that the United States prepared and launched Operation "Just Cause" in Panama, which successfully removed dictator Manuel Noriega, and helped restore democracy to that strategic nation.

General Thurman held numerous awards and honors. His U.S. military decorations include two awards of the Defense Distinguished Service Medal; two Legions of Merit; the Bronze Star Medal with Valor Device (with Oak Leaf Cluster); four Air Medals; Meritorious Service Medals; Army Commendation Medals; and the Joint Service Achievement Medal. Additionally, General Thurman was decorated by the Governments of France, Germany, and Venezuela. He was a master parachutist and held the Army General Staff and the Joint Chiefs of Staff identification badges.

Since his retirement, General Thurman has been a Senior Fellow of the Association of the United States Army's Institute of Land Warfare and an executive-in-residence at North Carolina State University. General Thurman also served on the President's Commission on Women in the Armed Forces and the President's Commission on Panama. In 1992, he received the North Carolina Award for Public Service for a native North Carolinian living outside the State. In 1995, General Thurman was awarded an honorary doctor of humane letters degree from North Carolina State University.

Mr. Speaker, General Thurman was the epitome of selfless service to nation. He was always enthusiastic, and unstoppable tinkerer, sometimes abrasive, and yet humorous and warm when the pressure was off. He was a leader who truly made a difference, and his legacy can be found in the magnificent men and women who make up our trained and ready Army. He has our thanks—he served our Nation well. We will truly miss his leadership and friendship.

THE COALITION BUDGET

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 13, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 13, 1995 into the CONGRESSIONAL RECORD.

THE COALITION BUDGET

Budget negotiations between Congress and the White House have been difficult, but I am pleased that all parties have agreed to a common goal—balancing the budget in seven years and protecting Medicare, Medicaid, education, and the environment. Thus, the central question to the debate is not "when" the budget is balanced, but "how."

Both sides in this debate deserve credit for making progress on the deficit. Under the leadership of House Speaker Newt Gingrich, Congress passed one budget version, which was vetoed by the President. The President has presented an alternative proposal, and negotiations will continue on a final agreement. Throughout the debate, both sides have moved slowly towards a proposal put forward by the conservative "Coalition", a group of centrist House Democrats.

The Coalition budget is a tough and remarkably sensible budget plan. It meets the